Mississippi Deferred Compensation

PLAN HIGHLIGHTS

Mississippi Deferred Compensation (MDC) can help you save more for the retirement you want — and it makes saving automatic.

How is saving with MDC different than saving on my own?

It's never too early to start planning for the future you want, and participating in MDC can make saving for that future much easier.

MDC allows you to save a portion of each paycheck for your retirement. You might wonder, "How is saving through MDC different than saving on my own?" With MDC, you save money on a pre-tax basis, which means your savings are deducted from your paycheck before any taxes are taken out. The deductions happen automatically. You don't have to remember to set that money aside on your own — and you always pay yourself first with each paycheck.

Also, participating in MDC can help you build savings momentum. You can invest the money you save in MDC's investment options (discussed later in this document), and any earnings from your savings are reinvested. You don't pay taxes on the money you contribute or on any earnings your contributions may generate until you take a withdrawal (also called a distribution). Distributions are subject to ordinary income tax.

You may also qualify for a federal income tax credit by participating in MDC. For more information about this tax credit, please contact your MDC Retirement Plan Advisor.

Who can participate?

If you are a current full- or part-time employee, an elected official, or an independent contractor with the state of Mississippi or one of its participating political subdivisions, you are eligible to enroll and begin building your savings with MDC today.

How do I enroll?

It's easy to get started. To enroll online, you will need the Plan Enrollment Code. Visit **www.mdcplan.com**, click on *About your plan*, select *Enroll now*, and scroll down to the *How to enroll* section. You can also contact your human resources department or your local MDC Retirement Plan Advisor for assistance. Once you have the Plan Enrollment Code, go to **www.mdcplan.com**, click on the *REGISTER* button, and select *I have a plan enrollment code*. Follow the prompts using the information provided on the flier. The website will guide you through the enrollment process.

How much can I contribute each year?

You may defer as little as $25 per month. In 2022, the maximum amount you may defer is the lesser of 100 percent of includible compensation or $20,500.

If you are nearing retirement age, you may be eligible to save more. The standard catch-up provision allows people to contribute up to double the annual contribution limit, or $41,000, in the three calendar years prior to normal retirement age. The amount you may be able to contribute with this option depends on the amounts you were eligible to contribute in previous years but did not.

If you are age 50 or older in 2022, the age 50+ catch-up provision allows you to contribute up to an additional $6,500. Please note that you may not use the standard catch-up provision and the age 50+ catch-up provision in the same year.

How soon will I be vested?

With your MDC account, your contributions and any earnings are always 100 percent vested (including rollovers from previous employers). Vesting refers to the percentage of your account you are entitled to receive when you retire or experience what's known as a distributable event (see below for more information).

How do I stay informed about my account?

After you enroll and start making contributions, you'll want to keep tabs on your account and the performance of your investments. Each quarter, MDC will provide you with a statement showing your account balance and activity. To receive account updates and an email when your statement is ready, log in to your account at **www.mdcplan.com**. Click on your name in the top right corner of the page and scroll down to *Communication preference*. Click *Change*, then select your preferred email address in the drop-down menu. If you have not provided an email address, you can add one in the *Personal contact information* section by clicking on *Change Contact Information*. Click *Save* to capture your changes. You can also check your account balance and move money among investment options online anytime at **www.mdcplan.com**.[1]

What are my investment choices?

With MDC, you can build a diversified portfolio that fits your saving and investing goals using a wide selection of investment options.[2] You can find out more about each option with MDC's fund sheets available at **www.mdcplan.com**, or you can call the voice response system toll free at **(800) 846-4551**. The website and voice response system are available 24 hours a day, seven days a week.

Can I combine other accounts with my MDC account?

For many people, combining accounts from previous employers makes it easier to manage their retirement savings and track their progress. If you have a balance in an eligible governmental 457(b), 401(k), or 403(b) plan or an individual retirement account (IRA), you may be able to roll that money into your MDC account.[3]

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.

How do I access my money?

Remember, the money you save through MDC is yours and you can access your money for any of the following reasons:

- Attainment of age 59½
- Retirement
- Severance of employment (as defined by the Internal Revenue Code provisions)
- Death (your beneficiary receives your benefits)
- Unforeseeable emergency (as defined by the Internal Revenue Code)

These are known as distributable events. Distributions may be made to purchase permissive service credit. Each distribution is subject to ordinary income tax.

EMPOWER RETIREMENT ADVISORY SERVICES

If you would like assistance building your portfolio, MDC offers Empower Retirement Advisory Services, a suite of services provided by Advised Assets Group, LLC, a registered investment adviser.

Online Advice is available at no additional cost and gives you the professional support you may need when it comes to selecting specific investments based on your savings goals and financial situation.

My Total Retirement™ provides a personalized investment strategy with ongoing professional account management. Experienced professionals get to know your individual situation and consider your goals to create a plan designed specifically for you. Then they monitor and manage your investments to help you stay on track and reach the future you want. If you choose to enroll in the service, there is an annual fee, assessed quarterly, charged as a flat fee of 0.40 percent of your assets under management.

For more information or to enroll, log in to your account at **www.mdcplan.com** and click on *Investing help*, or contact your local Retirement Plan Advisor.

There is no guarantee provided by any party that participation in any of the advisory services will result in a profit.

Are there early withdrawal penalties?

You pay no penalties for eligible withdrawals of 457(b) money. Any withdrawals will be taxed as ordinary income and will be subject to a 20 percent mandatory withholding. Mississippi state income tax will also be withheld.

Distributions you receive prior to age 59½ from money sources other than governmental 457(b) money sources may be subject to the 10 percent early withdrawal federal tax penalty.

What are my distribution options?

When it's time to access your money, you'll have a choice to make: Do you want it all at once, or would you rather access it gradually over time? You can choose the option that makes the most sense for you.

If you are currently working and have reached age 59½, you have the option to take an in-service withdrawal. Please note that you must stop all deferral elections prior to submitting the distribution request. Once the in-service withdrawal is complete, you may start a new deferral election for future contributions.

With MDC, you can receive payments in the following ways:

- Periodic payments
- Partial lump sum with remainder paid as periodic payments
- A lump sum

Keep in mind, you have the option of leaving some or all of the value of your MDC account until a future date. You may also be eligible to roll over your account balance to an eligible retirement plan or IRA.[4]

You are encouraged to discuss rolling money from one account to another with your financial advisor/planner, considering any potential fees and/or limitations of investment options.

What fees do I pay?

Distribution fees – When you take a distribution, you have several delivery options available to you:

- Check by U.S. Postal Service mail
  - Estimated delivery time is 7-10 business days
  - No additional charge
- Check by express delivery
  - Estimated delivery time is 1-2 business days
  - Additional $30 non-refundable charge
- Direct deposit via Automated Clearing House
  - Estimated delivery time is 2-3 business days
  - No additional charge
- Wire transfer
  - Estimated delivery time is 1-2 business days
  - Additional $40 non-refundable charge

Investment option fees – Each MDC investment option has an associated investment management fee that varies by investment option. These fees pay for trading of securities within the investment options and other management expenses. The investment option's management company deducts the fees before the daily price or performance is calculated.

Funds may also charge redemption fees on certain transfers, redemptions, or exchanges. Asset allocation funds generally include a fee for fund operating expenses, as well as prorated fund operating expenses for each underlying fund in which they invest. For more information, please refer to the fund prospectus and/or disclosure document.

You may also pay a recordkeeping or administrative fee for investing in certain investment options. For more information about any potential investment option fees, please contact MDC or visit **www.mdcplan.com** to review the online prospectuses of applicable funds.

Recordkeeping/administrative fees – You pay an annual administrative fee of $47.50, assessed quarterly. For new MDC participants, the annual recordkeeping and communication fee will not be assessed for 365 days after the date the new participant is effective on MDC's recordkeeping system. However, if a new participant takes a full withdrawal in the first 365-day period, a fee will be charged representing one month of the annual recordkeeping and communication fee.

WHERE CAN I FIND MORE INFORMATION?

Visit **www.mdcplan.com** to learn more about MDC and for access to financial calculators and educational tools.

To speak with a representative, call **(800) 846-4551**, weekdays between 7 a.m. - 9 p.m. Central time, and Saturdays between 8 a.m. - 4:30 p.m. Central time. You can also contact your MDC Retirement Plan Advisor. To find your local advisor, visit **www.mdcplan.com** and click on *Contact us*.

1 Transfer requests received on business days prior to close of the New York Stock Exchange (4 p.m. Eastern time or earlier on some holidays or in other special circumstances) will be initiated at the close of business the same day the request was received. The actual effective date of your transaction may vary depending on the investment option selected.

2 Diversification does not ensure a profit and does not protect against loss in declining markets.

3 Money from other types of plans or accounts that are rolled over into a governmental 457 plan may still be subject to the 10 percent federal early withdrawal penalty upon distribution from the 457 account prior to the investor reaching age 59½.

4 Governmental 457 dollars rolled over to another type of plan or account may be subject to the 10 percent federal early withdrawal penalty upon distribution from the non-457 account prior to the investor reaching age 59½.

If there are any discrepancies between this document and the MDC Plan Document, the MDC Plan Document will govern.

Securities offered and/or distributed by GWFS Equities, Inc., Member FINRA/SIPC. GWFS is an affiliate of Empower Retirement, LLC; Great-West Funds, Inc.; and registered investment advisers, Advised Assets Group, LLC and Personal Capital. This material is for informational purposes only and is not intended to provide investment, legal or tax recommendations or advice. ©2021 Empower Retirement, LLC. All rights reserved.

98949-01-FBK-WF-1059810-0521 RO1631929-0521